



# Presentation of the Q4/2023 report

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January 31, 2024

**SSAB**

# Agenda

- FY and Q4/23 in brief
- Financials
- Outlook and summary
- Q&A

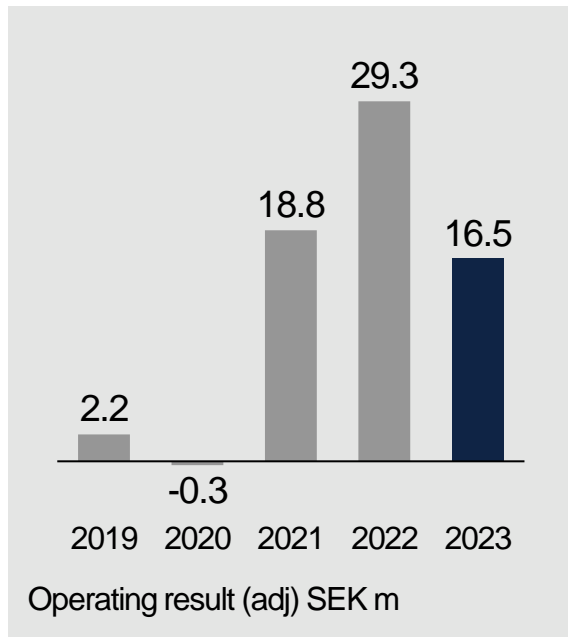


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FY and Q4/23 in brief

# Highlights in 2023

## Good level of earnings



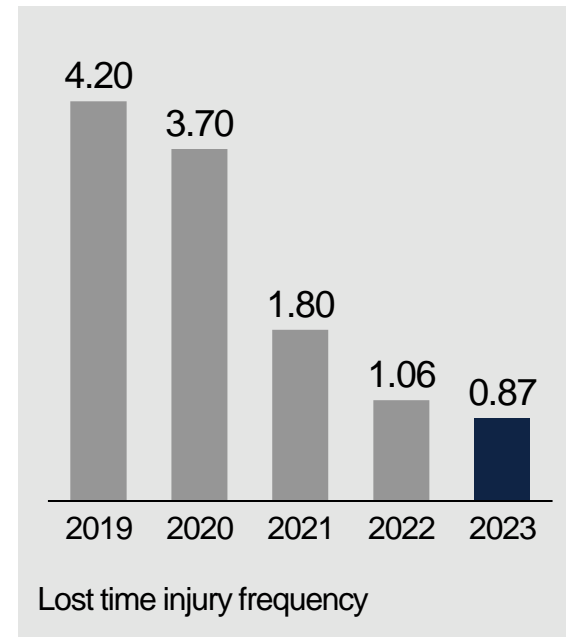
- Another strong year, after the record in 2022

## Leading the green transition



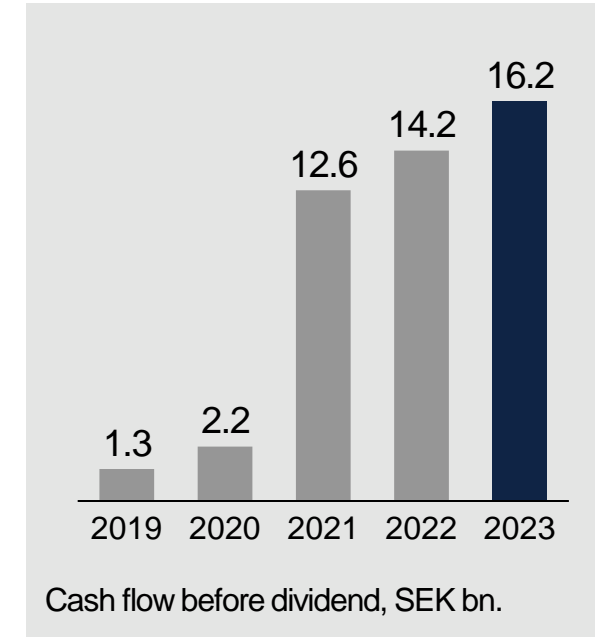
- Commercial shipments of SSAB Zero and pilot shipments of SSAB Fossil free
- Transformation of the Nordic assets started with Oxelösund

## Safer workplace



- Most of the major sites without LTI

## Strong cash flow generation



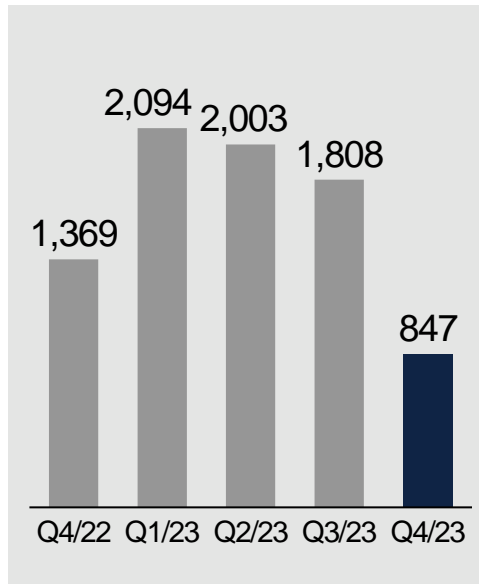
- Good level of earnings and working capital release
- Dividend of SEK 5.00 per share proposed

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# Q4 impacted by maintenance and weak European market

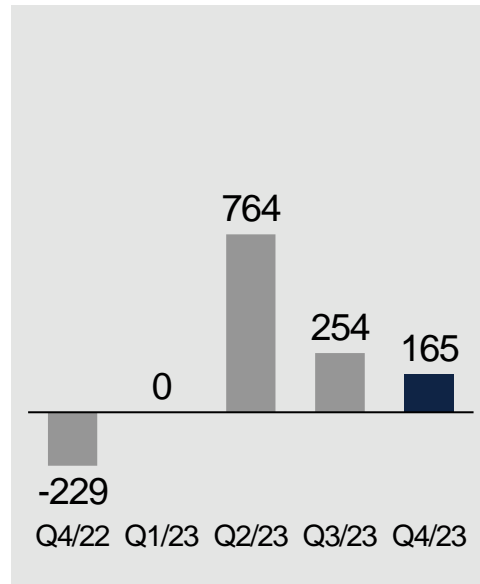
## Operating result (adj)

### Special Steels



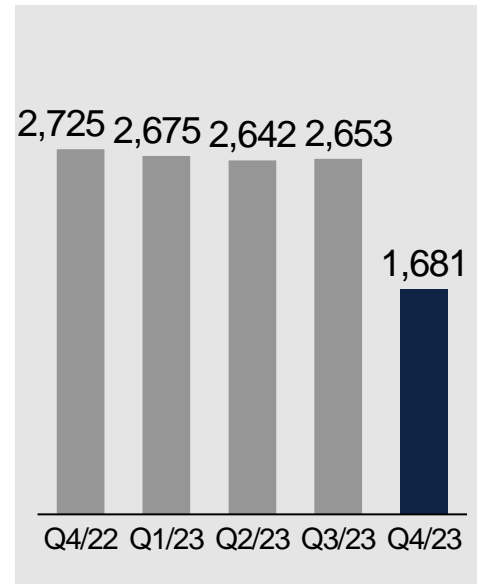
- Planned maintenance in Oxelösund and Mobile

### SSAB Europe



- Weak market and planned maintenance in Q4
- Prices -6% vs. Q3/23

### SSAB Americas



- Planned maintenance
- Prices -11% vs. Q3/23





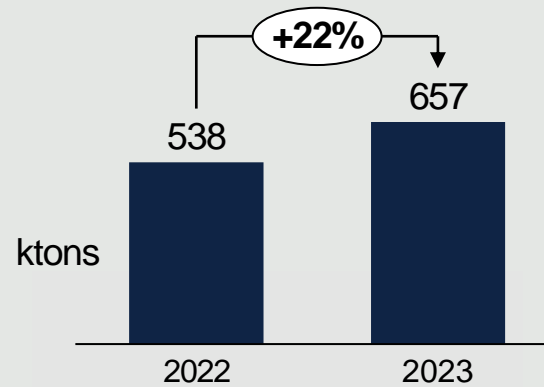
# Business highlights 2023

Global leader in high-strength steel



- Stable prices despite weaker market
- Special Steels' prices -2% vs. record level in 2022
- Stock sales more stable – customers favoring short lead time due to uncertain environment

Strong position in Automotive AHSS



- Outperforming the general steel market
- World-leading in martensitic steel grades
- SSAB Zero and Fossil-free paves way for new business

US plate market leader



- Market share increased to 31% (30%) in 2023 (prel.)
- Successful ramp up of SSAB Zero production in Montpelier

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# SSAB Zero – unique product generating strong interest

- Based on recycled steel, fossil-free electricity, bio carbon and bio gas
- No carbon emission offsetting or mass balancing allocation schemes
- More than 50,000 tonnes shipped in 2023
- Platform to leverage growth



# New partnerships during Q4



- Decarbonize all steel deliveries from SSAB to Scania's heavy-duty vehicles in 2030

- Fossil-free steel for use initially in the production of Sandvik's loaders and trucks

- GE Vernova will be able to manufacture onshore wind towers with the lowest carbon footprint in the wind industry



# Growing demand in the US for sustainable products

## Industry trends support plate market

- Customers demanding a full range of zero emission plate products
- Increasing demand for prime scrap, to meet more advanced requirements
- Federal programs drives investment in energy and infrastructure – Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA)
- Demand for melted in America favors local producers
- US plate demand may again reach historical peak levels (~10 million tonnes) in the medium to longer term



# Oxelösund transformation continues according to plan

- Environmental permit in place
- Power allocation secured
- Permit for power lines approved in Jan 2024
- In November, the Swedish Prime Minister attended the start of the construction work for the electric arc furnace



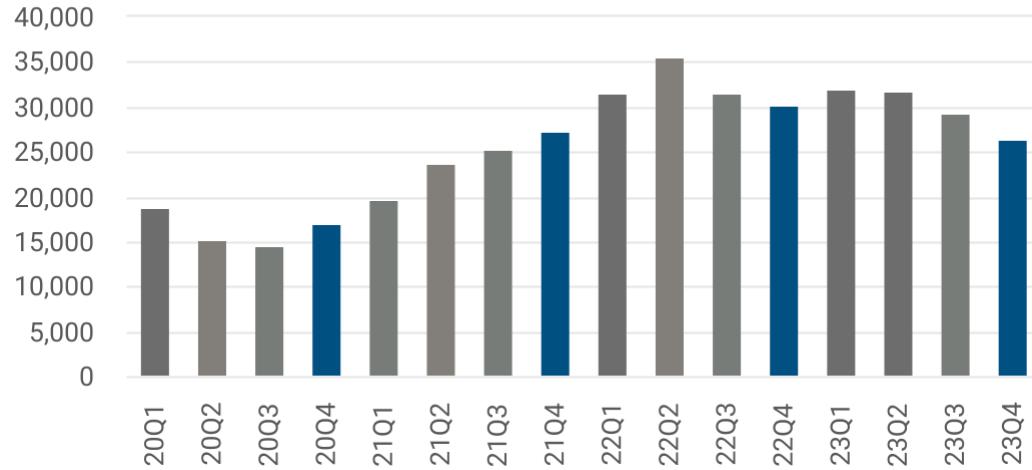


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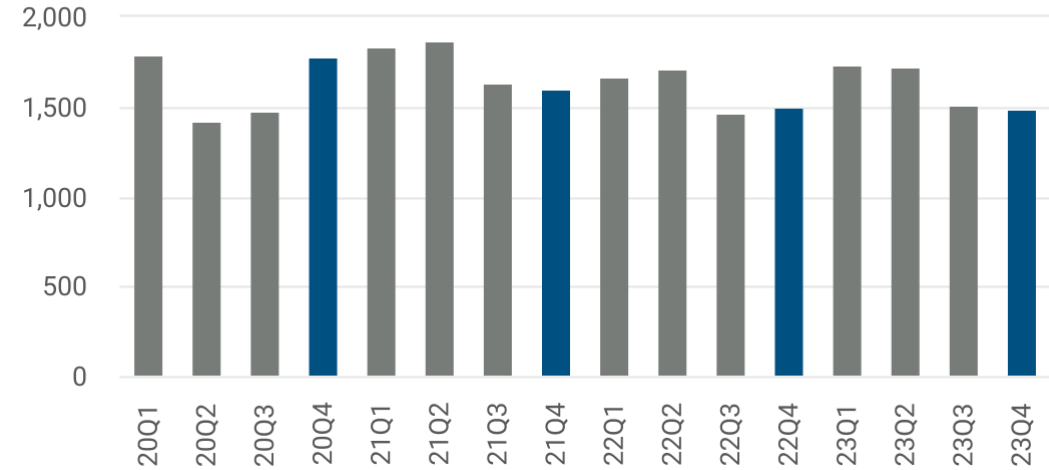
# Financials

# Q4 impacted by planned maintenance

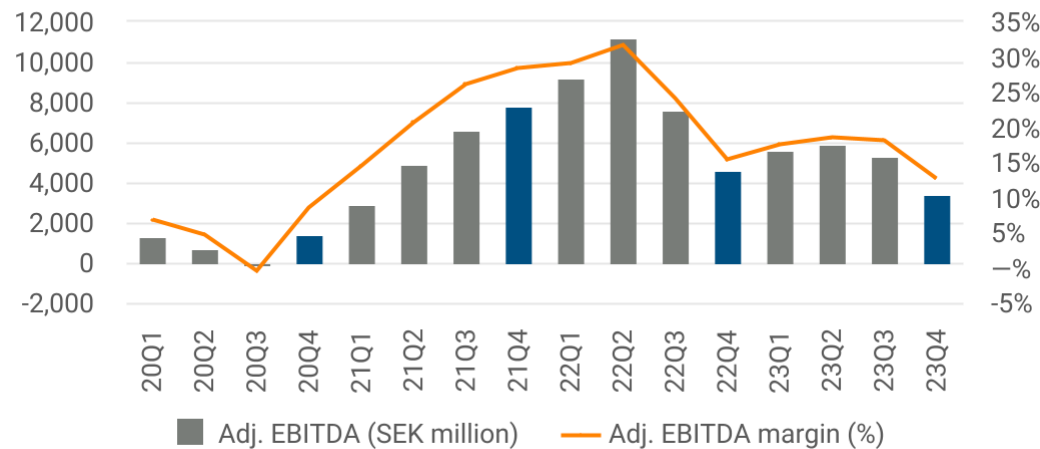
Revenue (SEK million)



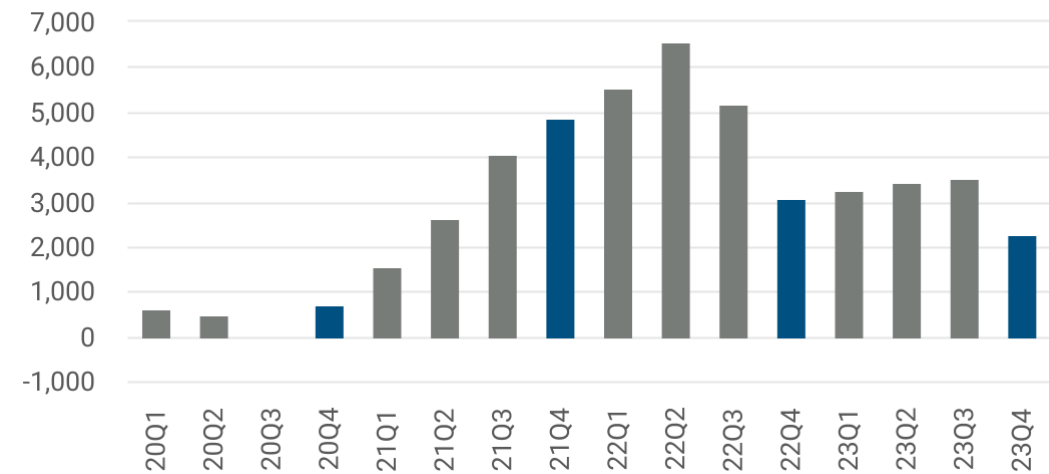
Steel shipments (ktonnes)



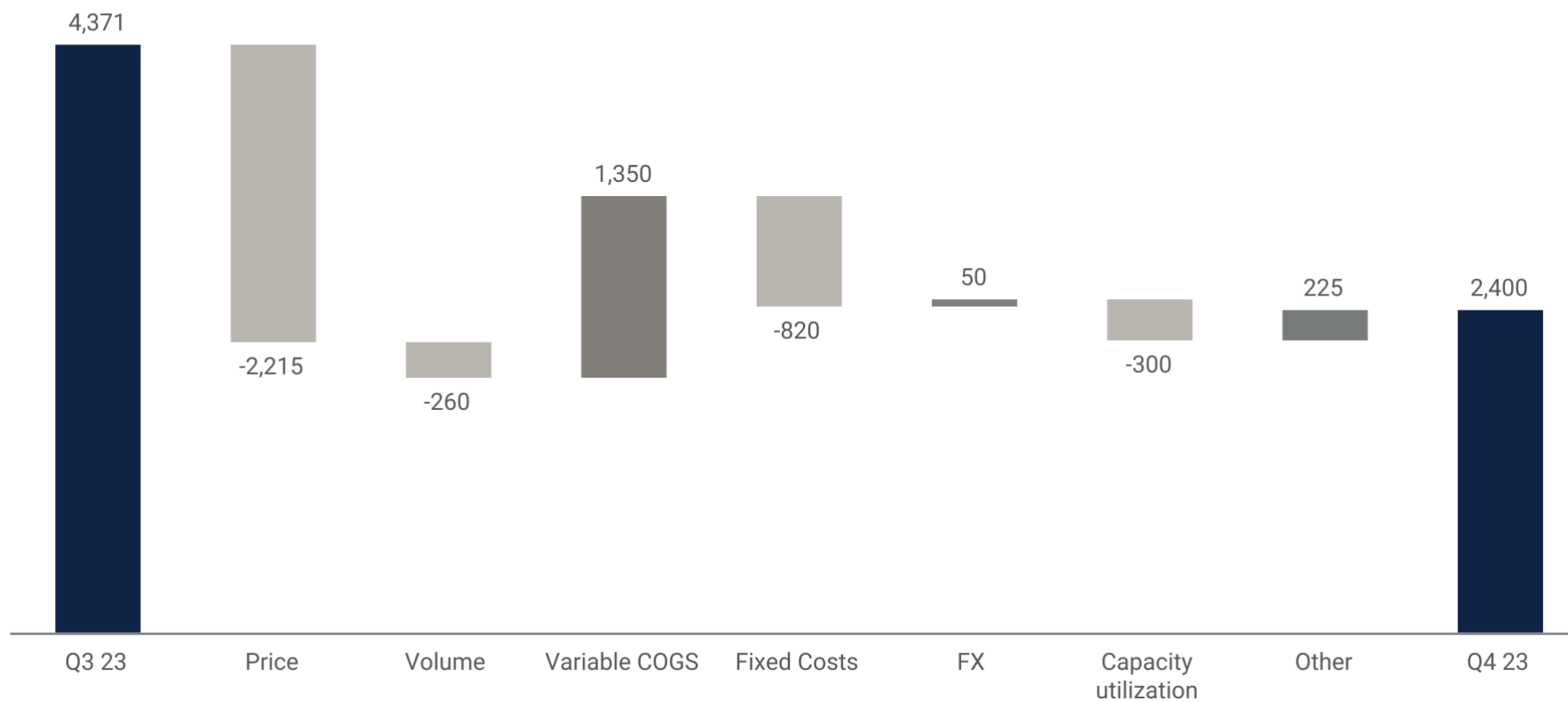
Adjusted EBITDA



Adjusted EBITDA per tonne delivered steel (SEK/tonne)

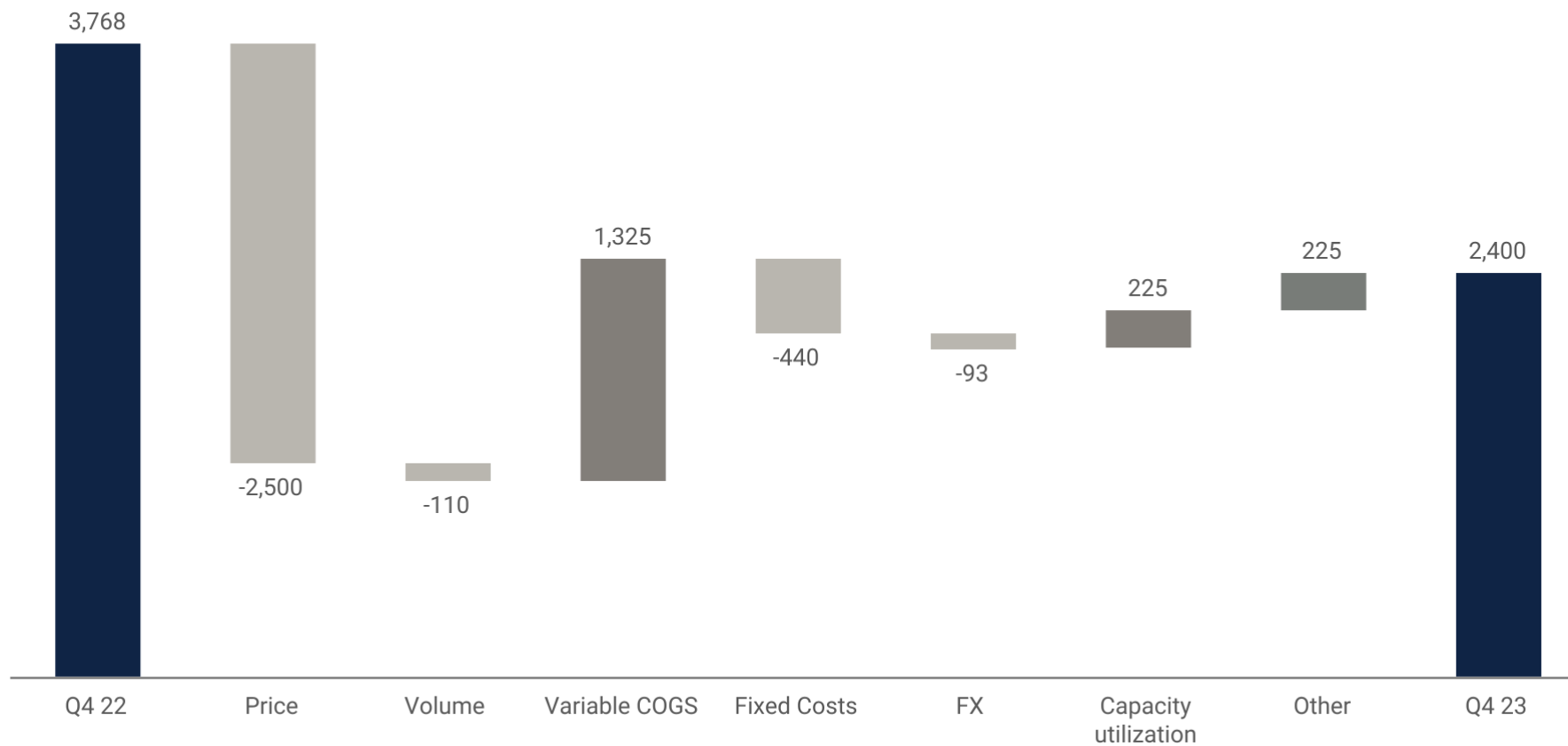


# Change in adjusted operating result Q4 23 vs. Q3 23





# Change in adjusted operating result Q4 23 vs. Q4 22

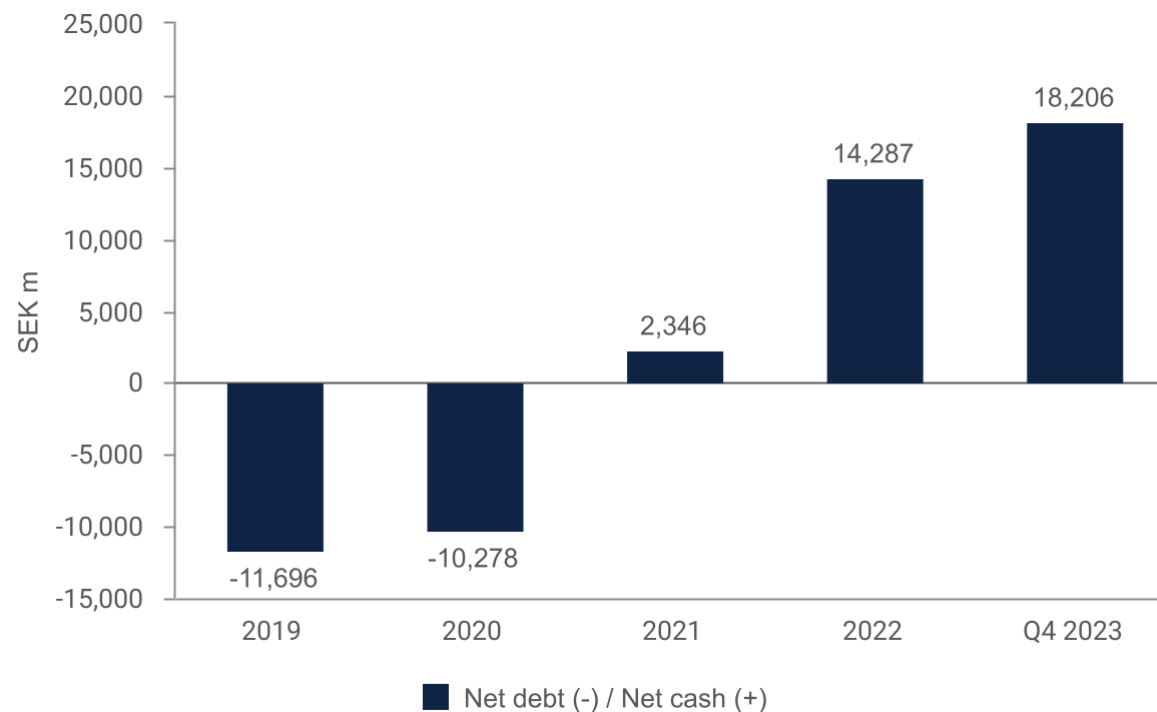


## Strong cash flow

SEK millions	2023 Q4	2022 Q4	2023 Full-year	2022 Full-year
EBITDA	3,364	4,659	20,141	32,340
Change in working capital	3,760	4,921	4,836	-8,279
Maintenance capex	-1,106	-1,018	-2,585	-2,196
Other	-220	317	-867	828
<b>Operating cash flow</b>	<b>5,798</b>	<b>8,880</b>	<b>21,524</b>	<b>22,693</b>
Financial items	146	-1	437	-17
Taxes	-486	-1,313	-3,879	-5,947
<b>Cash flow from current operations</b>	<b>5,457</b>	<b>7,566</b>	<b>18,082</b>	<b>16,729</b>
Strategic capex, plants and machinery	-929	-705	-1,889	-1,952
Acquisitions of shares and operations	-25	-154	-52	-537
Investments/contributions in affiliated companies and JVs	-20	-20	-20	-79
Divestments of shares and operations	—	—	61	—
<b>Cash flow before dividend and share buy back</b>	<b>4,484</b>	<b>6,687</b>	<b>16,182</b>	<b>14,161</b>
Dividend, Parent company's shareholders	—	—	-8,960	-5,406
Dividend, non-controlling interest	—	—	-8	-7
Purchases of own shares	-1,292	—	-1,292	—
<b>Net cash flow</b>	<b>3,192</b>	<b>6,687</b>	<b>5,922</b>	<b>8,748</b>

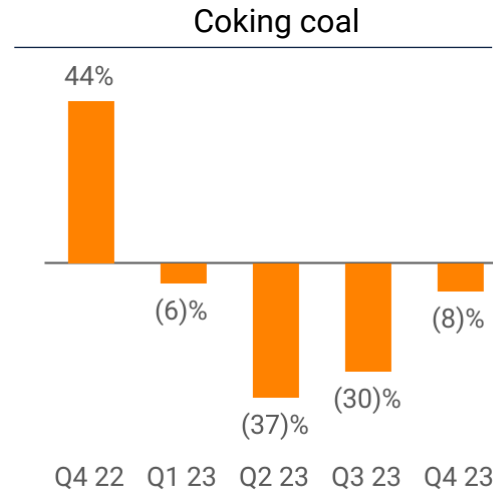
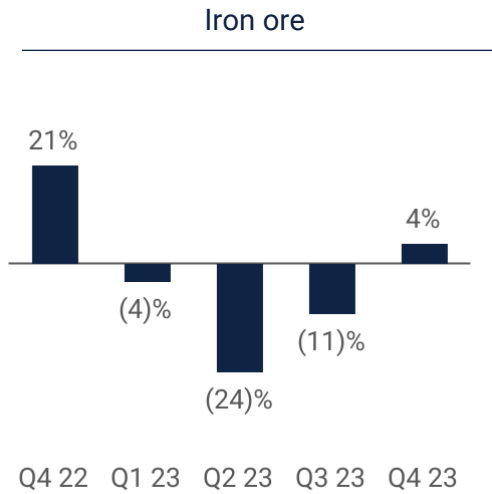
# Net cash position increased

- Net cash of SEK 18.2bn at the end of Q4/23
- Approx. 18.3m shares bought back in Q4, SEK 1.3bn spent (of total 2.5bn)
- Buy back program continues in Q1/24
- Dividend of SEK 5.00 per share proposed, would mean around SEK 5bn payout in Q2/24

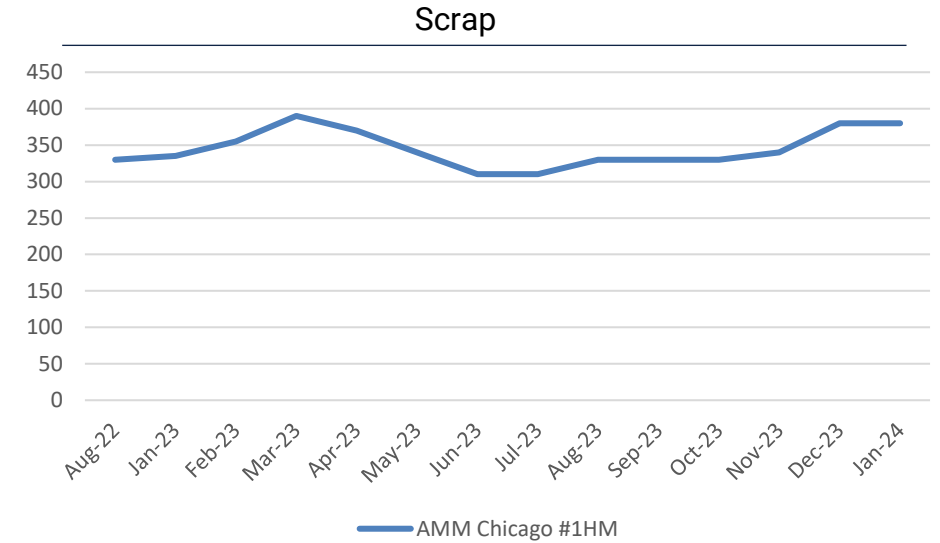


# Raw material

SSAB's purchase price, year over year changes



Market prices (AMM)



- In Q1/24, the cost of raw materials is expected to be somewhat higher than prior quarter

- Scrap price increased in December
- Purchase prices of scrap ore affect the result after a lag of around one month

# Expected maintenance costs

- SSAB’s total maintenance costs for 2024 are expected to be SEK 1,555 (1,480) million
- Most maintenance to be carried out in Q3

SEK millions	2024	2024	2024	2024	2024
	Q1	Q2	Q3	Q4	Full-year
SSAB Special Steels	–	–	100	330	430
SSAB Europe	–	–	375	225	600
SSAB Americas	–	–	525	–	525
<b>Total</b>	–	–	<b>1,000</b>	<b>555</b>	<b>1,555</b>

Note: The estimates shown in table includes direct maintenance cost and cost of lower capacity utilization (under absorption) but excludes lost margins.





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# Outlook and summary

# SSAB's outlook for main customer segments Q1/2024

Segment	Demand	Comments	● Strong	● Neutral	● Weak
Heavy Transport	●	<ul style="list-style-type: none"> <li>- Heavy trucks in Europe slowing down from high level</li> <li>- Positive indications for railcars and vessels in the US</li> </ul>			
Automotive	●	<ul style="list-style-type: none"> <li>- Structurally growing AHSS market</li> <li>- Signs of slowdown in car demand in Europe</li> </ul>			
Construction Machinery	●	<ul style="list-style-type: none"> <li>- Stable demand in North America</li> <li>- Weaker demand in Europe and China</li> </ul>			
Material Handling	●	<ul style="list-style-type: none"> <li>- Stable demand in mining and recycling</li> </ul>			
Energy	●	<ul style="list-style-type: none"> <li>- Good demand for wind power and other renewables</li> </ul>			
Construction	●	<ul style="list-style-type: none"> <li>- Nordic market weak, low season in Q1</li> </ul>			
Service Centers	●	<ul style="list-style-type: none"> <li>- Potential for some restocking in Q1</li> </ul>			

# SSAB's outlook for Q1/2024

- Seasonal improvement expected for SSAB Europe and SSAB Special Steels
- Q4 impacted by planned maintenance
- Market prices impact SSABs realized prices with a certain delay

Volume and pricing outlook		
Q1/24 vs. Q4/23	Shipments	Realized prices
SSAB Special Steels	Significantly higher	Somewhat lower
SSAB Europe	Higher	Somewhat lower
SSAB Americas	Higher	Somewhat lower

*Definitions: Significantly lower (>10%), Lower (5-10%), Somewhat lower (0-5%), Stable (~0%), Somewhat higher (0-5%), Higher (5-10%), Significantly higher (>10%)*

# Summary

- Good level of earnings in 2023
- Q4 impacted by planned maintenance and weak European market
- Strong cash flow generation
  - Share buy back ongoing
  - Dividend of SEK 5.00 per share proposed
- Leading the green transition
  - All required permits in place for the Oxelösund transformation
  - Strong demand for SSAB Zero





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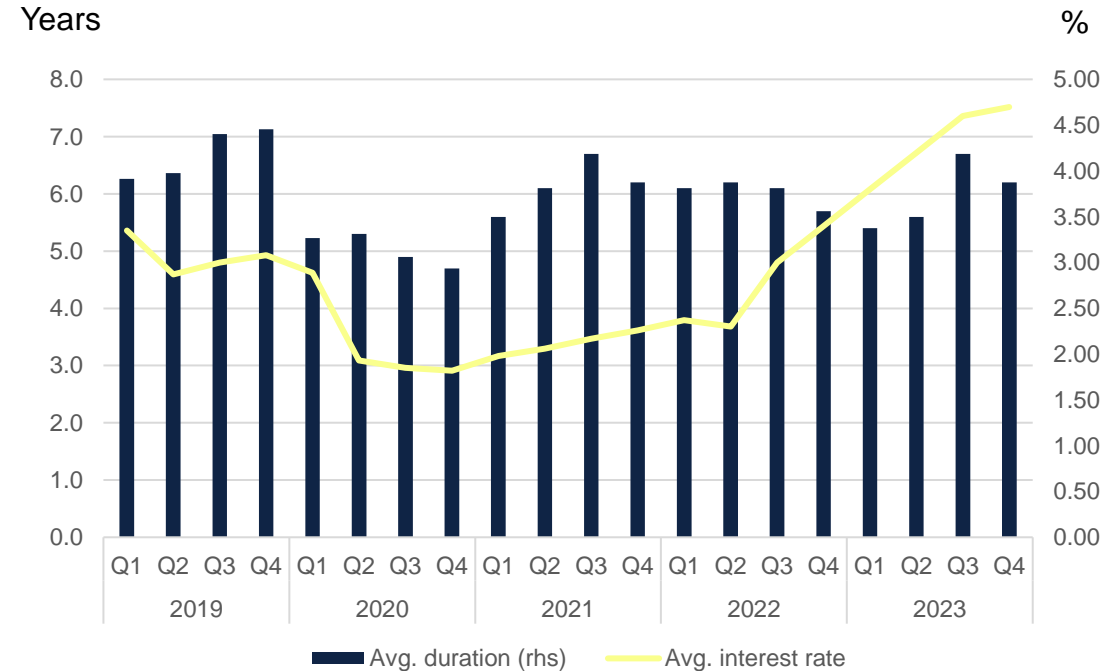
# Questions and Answers



# Appendix

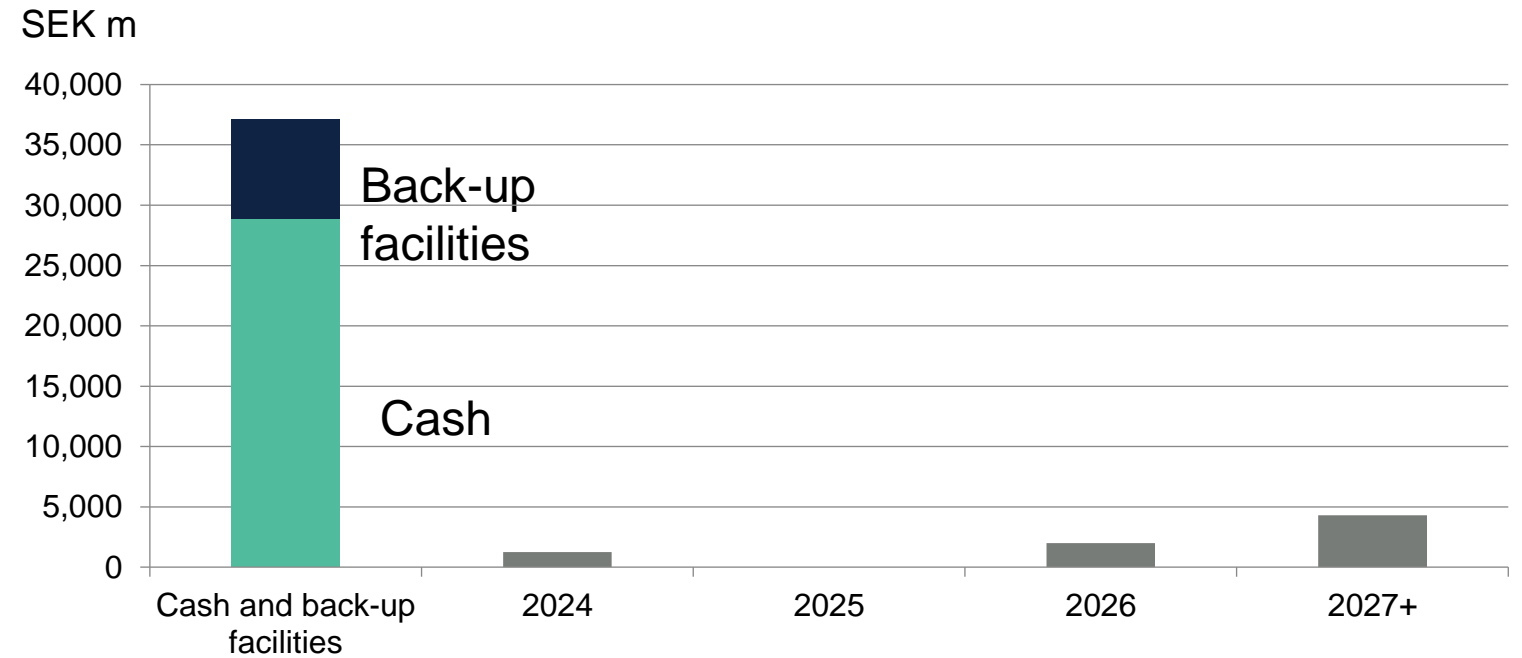
# Debt portfolio duration and interest rate

- Duration of the loan portfolio was 6.2 (5.7) years
- Averaged fixed interest term was 1.4 (0.9) years
- Average interest rate was 4.7% (3.4%)



# Maturity profile

- Liquid assets and committed credit lines at SEK 37.2bn at the end of Q4



SSAB